

Subchapter F—Special Categories of Contracting

PART 2834—MAJOR SYSTEM ACQUISITION

Subpart 2834.0—General

Sec.

2834.002 Policy.

AUTHORITY: 28 U.S.C. 510; 40 U.S.C. 486(c); 28 CFR 0.75(j) and 28 CFR 0.76(j).

Subpart 2834.0—General

2834.002 Policy.

In accordance with Pub. L. 98-577, the Small Business and Federal Procurement Competition Enhancement Act of 1984, an executive agency may establish a dollar threshold for the designation of a major system. Accordingly, dollar thresholds for a major system under Office of Management and Budget Circular A-109 are designated in this section.

(a) *Major automated information system.* Within the Department of Justice, a major automated information system is one whose life-cycle cost is in excess of \$100 million.

(b) *Major real property system.* (1) By purchase, when the assessed value of the property exceeds \$60 million.

(2) By lease, when the annual rental charges, including basic services (e.g.,

cleaning, guards, maintenance), exceed \$1.8 million.

(3) By transfer from another agency at no cost when the assessed value of the property exceeds \$12 million.

(c) *Research and Development (R&D) System.* Any R&D activity expected to exceed \$0.5 million, for the R&D phase is subject to OMB Circular A-109, unless exempted by the HCA.

(d) *Any other system or activity.* The HCA responsible for the system may designate any system or activity as a Major System under OMB Circular A-109 as a result of Departmental review, e.g., selected systems designed to support more than one principal organizational unit.

(e) *Exemption.* The AAG/A, upon recommendation by the HCA responsible for the system, may determine that because of the routine nature of the acquisition, the system (e.g., an information system utilizing only off-the-shelf hardware or software) will be exempt from the OMB Circular A-109 process, although by virtue of the life cycle costs, it would otherwise be identified as “major” in response to OMB Circular A-109.

[63 FR 16134, Apr. 2, 1998]